

HOUSE BILL REPORT

HB 1169

As Reported by House Committee On:
Higher Education

Title: An act relating to private vocational school programs.

Brief Description: Establishing additional requirements for private vocational schools.

Sponsors: Representatives Kenney, Haler, Ormsby, Fromhold, P. Sullivan, Jarrett, Wallace, Anderson, Morrell, Kagi, Conway, Sells, Simpson and Haigh; by request of Workforce Training and Education Coordinating Board.

Brief History:

Committee Activity:

Higher Education: 2/22/07, 2/26/07 [DP].

Brief Summary of Bill

- Clarifies the minimum requirements for private vocational schools to obtain and maintain an operating license, and requires them to demonstrate their financial viability and responsibility to the Workforce Training and Education Coordinating Board (WTECB).
- Authorizes the WTECB to take corrective action if they determine that a private vocational school is at risk for closure.
- Directs the WTECB to provide transition assistance to students if a school closes without making adequate provisions.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 9 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Buri, Assistant Ranking Minority Member; Hasegawa, Jarrett, McIntire, Roberts and Sommers.

Staff: Jennifer Thornton (786-7111).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Workforce Training and Education Coordinating Board (WTECB) regulates and licenses private vocational schools to ensure adequate educational quality and to monitor for false, deceptive, misleading, or unfair practices of private vocational schools. Among its duties, the WTECB establishes standards for private vocational schools, manages a tuition recovery trust fund for settlement of claims related to school closures, and monitors for unfair business practices.

A number of schools closed in 2005, prompting the WTECB to consider whether increased oversight of private career schools is necessary. For example, the computer training school called "Go2cert.com" closed its doors and declared bankruptcy in 2005. The WTECB refunded unearned prepaid tuition of approximately \$147,000 to the school's students who were enrolled when the school closed.

The Business Career Training Institute (BCTI), which had enrollments of between 500 and 600 students, also closed in 2005, owing the Higher Education Coordinating Board more than \$50,000 for repayment of the State Need Grant. The BCTI also admitted falsifying enrollment tests to admit students who were not "qualified" to enroll.

In 2005, 10 Washington students complained to the WTECB about the Court Reporting Institute, which had campuses in Seattle and Tacoma. Among other things, they cited poor instruction and misleading claims that they'd graduate in 30 months. In August 2006, the school closed all of its campuses.

Summary of Bill:

It is clarified that private vocational schools must meet the minimum requirements to obtain and maintain an operating license. Private vocational schools must demonstrate their financial viability and responsibility to the WTECB. If any of the requirements are not met, the WTECB may deny the private vocational school's license application.

Before enrolling students for whom English is a second language, the schools must administer an English as a second language examination, unless the student graduated from a U.S. high school, or completes a General Educational Development test in English, or passed another appropriate assessment.

If the WTECB determines that a private vocational school is at-risk for closure or termination, the school may be required to take corrective action. In making the determination, the WTECB considers whether there is a pattern or history of substantiated student complaints or whether there is a present and historical pattern of failing to meet minimum requirements. If a school closes without providing adequate student notice, the WTECB provides transition assistance to the students including information regarding transfer options, financial aid discharge procedures, labor market and job placement assistance, and other available support services.

Appropriation: The sum of \$106,000.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is an agency request bill from the WTECB that was approved by the Governor. This adds more strength to the WTECB's oversight authority and assistance with transitions so that students aren't left out in the cold. There are 250 licenced private career schools in Washington, and they serve a large number of students. While no amount of regulatory authority will protect everyone, this will enable the WTECB to increase its staffing, look at the finances of private career schools and figure out who is at risk. The BCTI closed unexpectedly on a Sunday. No schools support behavior like that. The clarity this bill provides is important. It also adds probationary status as an option for schools, which will allow at-risk institutions to develop a plan for improvement and put the WTECB on stronger alert. Private career schools pay into a tuition recovery trust fund to help students and support this bill.

(Opposed) None.

Persons Testifying: (In support) Representative Kenney, prime sponsor; Don Bennett, Workforce Training and Education Coordinating Board; and Gena Wikstrom, Northwest Career Colleges Federation.

Persons Signed In To Testify But Not Testifying: None.